

Conducting an Environmental Scan for the Workforce Planning Process

An Environmental Scan is the first step in both strategic planning and workforce planning. In both cases, it is an effort to give the organization a clear, complete and accurate image of itself, both internally and in relation to the outside world. It requires a willingness to remove the “rose-colored glasses” as well as the “dark shades” to see the organization simply as it is. The workforce planning and strategic planning environmental scans differ from each other. The focus in this article is on the workforce planning scan.

How Do Workforce Planning and Strategic Planning Environmental Scans differ?

- In *strategic planning*, the organization collects data about both the external and internal influences that will affect its *overall mission, vision, goals and strategies for the future*.
- In *workforce planning*, the organization collects data about *matters that relate specifically to workforce supply, demand, knowledge/skills/abilities*, etc. These are then used to understand fully the external and internal factors and trends that may affect its current workforce needs in order to plan successfully for the future.

How Are the Environmental Scan and the SWOT Analysis Related?

As described above, an environmental scan looks at the information available in the internal and external environments to obtain a clear and accurate image of the organization and its circumstances. To do so, the organization first identifies the categories to be scanned. Internally, these might be such areas as: personnel, financial resources, facilities, organizational culture, other resources, etc. External areas might include: vendors, regulators, competitors, collaborators/allies, etc.

Once the environmental scan is completed, the “SWOT” analysis can begin. SWOT stands for “strengths, weaknesses, opportunities and threats.” The internal strengths and weaknesses of the organization are identified, as are opportunities and threats that are present or may arise in the external environment. Open the document “Workforce Planning SWOT Instructions” for more detail.

How Does a Workforce Environmental Scan Work?

An Environmental Scan can be completed by the human resources staff or by a team with members representing a cross-section of the organization. A team with members from across the organization’s departments, divisions or units may provide greater diversity of perspectives. It also spreads the workload out, and encourages interest and participation throughout the organization.

A team approach to the Environmental Scan might include these steps:

1. Each team member **researches** one or more of the external and internal factors (see lists below for a partial list of factors. (The team also should scan to include any additional factors not listed here.)

2. Each team member prepares a **list of the relevant data** they have discovered for their factor(s). Most of the data should come from concrete data and reasoning (not conjecture). A small portion of the data may be based on perception rather than hard data. Be sure to indicate where this is so. This is important so anyone using the data for planning can do so with confidence. E.g. – the number of people eligible for retirement at any point is concrete, factual data. (It may or may not be accurate, so check facts!) To assume that 90% of those eligible will retire is conjecture. It would lack consideration of the many factors that contribute to an individual's actual retirement. To assume a 40% retirement rate based on the trends shown in the past five years would still be conjecture, but with a stronger base in hard data.
3. Members **share their completed lists of external and internal factors** with the whole team. They may question each other regarding the accuracy of hard data, and the reasoning behind assumptions.
4. The team compiles all data and provides the collected information to all members in a consolidated form.

External Factors

Types of external workforce data to be collected may include (but not be limited to):

- Colleges' and educational institutions' enrollments and specialties
- Changing composition of the workforce and shifting work patterns including demographics, diversity and outsourcing
- Government influences – policies, laws and regulations affecting the work and workforce
- Economic conditions that affect available and qualified labor pools, i.e., unemployment rates and housing prices
- Geographic and competitive conditions, i.e. turnover data, secondary and post-secondary school enrollments, enrollments in curricula needed to support organizational changes

See the **Workforce Planning Environmental Scan Sources**, *which is a separate document on this webpage*. It lists potential sources of information, including online resources. Internet resources and search engines can be the most comprehensive sources of information? and are easy to use.

External Workforce Data for the State of Vermont

The first source for data on the Vermont State Government workforce is the State of Vermont Annual Workforce Report, available on the website of the Department of Human Resources (new link will be available Fall 2009.)

External Workforce Data on the Internet

One of the best sources of information for an environmental scan on the workforce is the Bureau of Labor Statistics (BLS). The BLS web site (www.bls.gov) contains many links in subject matter including:

- Wages, Earnings and Benefits
- Occupations
- Employment and Unemployment
- Industries
- Demographics

It may take several steps for the Workforce Planning team to obtain all the needed information. For example, to find the number of employees working in the social services profession in Vermont and their average hourly wage, follow these links:

Step and Web Address	Web Page Title
1. www.bls.gov	Bureau of Labor Statistics' Home Page
2. www.bls.gov/oes/home.htm	Occupational Employment Statistics Page
3. www.bls.gov/oes/current/oes210000.htm	21-0000 Community and Social Services Occupations (Major Group) Page
4. www.bls.gov/oes/current/oes211021.htm	21-1021 Child, Family, and School Social Workers Page
5. www.bls.gov/oes/current/oes211021.htm#st	State Profile (see Vermont) for this Occupation Page

On the final web page, notice that Vermont has one of the highest concentrations of social workers in the country, and note the average pay.

Tips for using the Internet to do environmental scan research include:

- Use internet search engines such as Google, Yahoo, or Lycos or Bing to find information by entering a question, in addition to the above search engines within websites.
- The more specific the search, the more relevant the results will be to.
- If it is difficult to find specific job or academic information, try using broader information, combining information, or using a similar job title or academic degree. This should work to get a broad perspective on the topic.

Internal Factors

Internal data to examine during the environmental scan, and in preparation for the SWOT Analysis, include:

- Current workforce skills. Look at education, language skills and competencies for successful performance.
- Retirement eligibility projections and patterns. Look for key positions in the agency, in order to determine whether there are particular departments, divisions or programs that may be particularly vulnerable to a wave of retirements and loss of knowledge, and therefore having a

greater need for succession planning. It can be difficult to forecast retirements. As formulas or worksheets come available, they will be added to the Workforce Planning Toolkit.

- Determine the demographic profiles of current employees – age, race, sex, etc. – to determine the diversity of the workforce and areas for improvement.
- Determine the current state of the organization’s labor relations: What aspects does the department/agency have the ability to influence? What opportunities for cooperation are available?
- Assess the organizational climate. Are staff feeling supported and nurtured, overwhelmed and burned out, or something in between? Looking at climate will help the agency understand where to begin in implementing change. One way to conduct this assessment is by developing and distributing an employee satisfaction survey and tabulating the results. ***Talk with the department’s or agency’s Human Resources officer or contact The Summit Center for more information.***
- Track turnover data to determine the amount of turnover in the agency, the types of turnover and reasons staff are leaving the organization. This will help to determine the impact turnover is having on the organization’s ability to provide service. Exit interviews and surveys are a good source of information on why staff may be leaving. Exit interviews are typically conducted by the human resources staff or a third party rather than by the departing employee’s supervisor. The departing employee is usually more willing to share thoughts with an impartial third party, resulting in a more objective evaluation of the organization. ***Talk with the department’s or agency’s Human Resources officer or contact The Summit Center for more information.***
- Understand the budget and the impact organizational change will have on salaries and benefits.
- Assess the political environment. What is possible in terms of possible changes in leadership: Governor, Commissioners, etc.?

See the **Workforce Planning Environmental Scan Sources**, *which is a separate document on this webpage*.

Much of the information or data needed for an internal environmental scan is available either on the Vermont Department of Human Resources website, or through your organization’s human resources, budget and financial management staff, and/or from business and strategic planning documents. The goal is to collect as much relevant information as possible. If the organization does not tabulate or collect information like turnover data or exit interviews, consider creating an annual or quarterly process of tracking these data so they will be available for future environmental scans and SWOT analyses.

Example of Internal Scan Factors for Employee Demographics

- The average age of all employees is 48
- The average age of all managers and supervisors is 54
- 77% of all employees are male
- 12% of all employees self-identified as being a racial or ethnic minority
- 68% of all employees have a Bachelor’s degree

- 22% of all employees have a Master's degree or higher

The list for other external and internal factors would look very similar. Once the Workforce Planning team has collected all of the needed environmental scan information, the next step is to involve others in reviewing this information and participating in a **SWOT Analysis**.

(based on various sources, including *CPS Human Resource Services*, at cornerstones4kids.org)